



DEPARTMENT OF
ECOLOGY
State of Washington

PREVENTION OF SIGNIFICANT DETERIORATION (PSD) PERMIT

Issued To:	Port Townsend Paper Corporation
Facility Location:	100 Mill Road Port Townsend, Washington 98368
Permit Number:	PSD 96-01A, Amendment 1
Date of Original Permit Issuance:	May 20, 1998
Effective Date of Permit:	May 20, 1998
Effective Date of Amendment 1:	June 15, 2016

This PSD permit is issued under the authority of the Washington State Clean Air Act, Chapter 70.94 Revised Code of Washington; the Washington State Department of Ecology regulations for the PSD of Air Quality as set forth in Washington Administrative Code 173-400-700 through 750.

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6/15/16

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TABLE OF CONTENTS

PROJECT SUMMARY	3
APPROVAL CONDITIONS	4
I. EFFECTIVE DATE OF PERMIT	4
II. PERMIT EXPIRATION	4
III. EMISSION LIMITS	5
IV. BACT EMISSION LIMITS	5
V. SPECIFIC OPERATING REQUIREMENTS	5
VI. COMPLIANCE MONITORING REQUIREMENTS	6
VII. RECORDKEEPING AND REPORTING REQUIREMENTS	7
VIII. GENERAL RESTRICTIONS ON FACILITY OPERATIONS	8
IX. RIGHT OF ENTRY	8
X. TRANSFER OF OWNERSHIP	9
XI. ADHERENCE TO APPLICATION AND COMPLIANCE WITH OTHER ENVIRONMENTAL LAWS	9
XII. APPEAL PROCEDURES	10
ACRONYMS AND ABBREVIATIONS	11

PROJECT SUMMARY

The proposed Natural Gas Conversion Project requires an amendment to the existing PSD permit because of a change in fuel for the package boiler. The mill was issued the existing PSD permit Number PSD-96-01A on May 20, 1998, because a previous major modification had emissions of nitrogen oxides (NO_x), particulate matter (PM), and particulate matter finer than 10 microns in diameter (PM₁₀) were a significant increase under the PSD program. The Significant Emission Rates (SER) are 40 tons per year (tpy) for NO_x, 25 tpy for PM, and 15 tpy for PM₁₀. The emissions of all other air pollutants from the proposed fuel change are subject to review under Chapter 173-400 Washington Administrative Code (WAC) and Chapter 173-460 WAC by Ecology's Industrial Section.

This amendment will amend the PSD permit by:

1. Changing Approval Condition III to add language to allow the use of natural gas fuel for the package boiler.
2. Changing Approval Condition III to remove language allowing the use of reprocessed fuel oil.
3. Adding BACT Requirements in Approval Condition IV.
4. Adding Specific Operating requirements in Approval Condition V.
5. Performance testing will continue to be required as modified.

APPROVAL CONDITIONS

Based on Ecology's review of Port Townsend Paper Corporation's (PTPC) PSD permit application for Amendment 1 submitted on April 19, 2016, Ecology finds that all requirements for issuance of this PSD permit amendment have been satisfied. Ecology determined the application complete on April 19, 2016. Approval of the project is granted. PSD Permit 96-01A is revised and subject to the following conditions:

I. EFFECTIVE DATE OF PERMIT

In accordance with the Washington Administrative Code (WAC) 173-400-730(2)(c), the effective date of this PSD permit is one of the following dates:

- A. If no comments requesting a change in the preliminary determination were received: the effective date noted on the signature page; or
- B. If comments requesting a change in the preliminary determination were received: thirty (30) days after the applicant and the commenters receive the final determination; or
- C. If a review of the final determination is requested pursuant to 40 CFR §124.13 and 40 CFR §124.19 (see WAC 173-400-730(4)), the effective date of this permit is suspended until such time as the review and any subsequent appeal against this permit are resolved.

II. PERMIT EXPIRATION

Pursuant to 40 CFR §52.21(r)(2) and WAC 173-400-730(5), and unless an extension is granted by Ecology prior to expiration, PTPC's authorization to construct under this PSD permit expires as follows:

- A. This permit expires, and re-permitting will be required before any further construction activity may occur, if:
 - 1. Construction of the project has not commenced (as defined in 40 CFR §52.21(b)(9)) within eighteen (18) months of the effective date of this permit; or
 - 2. Construction is discontinued for a period of eighteen (18) months or more; or
 - 3. Construction is not completed within a reasonable time.

III. EMISSION LIMITS

- A. Emissions of NO_x shall not exceed 0.2 lb/MMBtu based on a 30-day rolling average and 50 tons per calendar year. Initial compliance shall be determined in accordance with 40 CFR 60 Subpart Db and EPA Reference Method 7E.
- B. Emissions of PM shall not exceed 0.01 lb/MMBtu based on a 30-day rolling average. Emissions of PM shall not exceed 10 tons per calendar year. Initial compliance with the PM limit shall be determined in accordance with 40 CFR Part 60, Appendix A, Reference Method 5, or an approved alternative method; and if the initial test is under the limit, no further testing is required.
- C. Opacity shall not exceed 15 percent averaged over six consecutive minutes.

IV. BACT EMISSION LIMITS

- A. BACT for NO_x is low NO_x control technology using good combustion controls and practices while firing natural gas using a low NO_x burner. The BACT emission limit for NO_x is 0.2 lb/MMBtu based on a 30-day rolling average.
- B. BACT for PM is burning only natural gas, and good combustion practices with proper maintenance. The BACT emission limit for PM is 0.01 lb/MMBtu based on a 30-day rolling average. Compliance is demonstrated by burning only natural gas and using good combustion controls.

V. SPECIFIC OPERATING REQUIREMENTS

- A. The package boiler's fuel shall be natural gas. The maximum amount of fuel burned in the package boiler shall not exceed 497,250 MMBtu/year and 5,664 MMBtu/day.
- B. Reprocessed fuel oil (RFO) shall not be used as fuel for the package boiler.
- C. In accordance with 40 CFR 60.49b, PTPC must obtain and maintain fuel receipts (such as a current, valid purchase contract, tariff sheet, or transportation contract) from the supplier of the natural gas that will be combusted in the package boiler that certifies that the gaseous fuel meets the definition of natural gas as defined in 60.41b. Compliance shall be demonstrated by demonstrating that only natural gas was combusted in the package boiler during that month in the monthly report submitted to the Industrial Section.
- D. An initial performance test to verify the emission rates in lb/MMBtu of NO_x and PM (including PM₁₀) must be conducted. For the initial performance test, EPA Method 7E shall be used for NO_x, EPA Method 5 shall be used to determine total PM and PM₁₀ shall be estimated by calculation (multiplying 0.86 times the results

of the total PM). A test plan shall be submitted to Ecology within 90 days of initial firing of natural gas in the package boiler. Results of the test shall be submitted to Ecology within 180 days of initial firing of natural gas in the package boiler.

- E. The package boiler must be operated and maintained in a manner consistent with safety and good air pollution control practices for minimizing emissions at all times. The existing operation and maintenance manual(s) for the package boiler must be updated to reflect the changes associated with this project. The operation and maintenance manual must be followed. A copy of manual must be available to Ecology during inspections and upon request.
- F. PTPC shall notify Ecology in writing within 30 days of the initial firing of natural gas in the package boiler.

VI. COMPLIANCE MONITORING REQUIREMENTS

- A. Compliance with Approval Condition V.A. shall be demonstrated by maintaining fuel receipts. Fuel receipts must be kept on site for inspection for by air regulatory authorities.
- B. Compliance with Approval Condition III.B. above shall be demonstrated by an initial Performance Test followed by BACT operation of firing only natural gas with good combustion controls.
- C. Compliance with Approval Condition III.C. above will be demonstrated by CEMS for opacity meeting the performance specifications of 40 CFR Part 60, Appendix B, and quality control/quality assurance requirements of 40 CFR Part 60, Appendix F. In addition, the opacity limit shall be met when measured using EPA Reference Method 9, as found in 40 CFR Part 60, Appendix A.
- D. Within 90 days of initial start-up of the boiler on natural gas, PTPC shall identify boiler operational parameters and practices that have been described as “good combustion practice.” Such identification shall be included in an operation and maintenance (O&M) manual for the boiler. The O&M manual shall also include a description of records that will be maintained to insure the continuous application of “good combustion practice.” The O&M manual shall be maintained by PTPC and be available for review by state, federal, and local agencies.
- E. Compliance with Condition III.A. above will be demonstrated by a Continuous Emission Monitoring System (CEMS) of nitrogen oxides (NO_x), and an oxygen (O₂) meter. The concentration determined by the CEMS (ppm) shall be used to determine the emission rate (lb/MMBtu). The conversion of measured

concentration to the emission rate in lb/MMBtu shall be by using the formula found in 40 CFR 60 Appendix A Method 19, section 2.1.

VII. RECORDKEEPING AND REPORTING REQUIREMENTS

- A. PTPC shall report monitoring data to Ecology's Industrial Section as follows:
1. Submit the performance test data from the initial performance test and the performance evaluation of the CEMS using the applicable performance specifications in 40 CFR Appendix B.
 2. Submit a report within 15 days of the end of each calendar month, or on another approved reporting schedule, and in the format approved by Ecology, including the following for each steam generating day:
 - a. Calendar date
 - b. Average hourly NO_x emission rate in lb/MMBtu.
 - c. Daily and accumulated mass per calendar year of NO_x.
 - d. The 30-day rolling average NO_x emission rate in lb/MMBtu
 - e. Identification of each day the 30-day rolling average is in excess of the NO_x standard, including reasons for the excess and description of the correction action taken.
 - f. Identification of any steam generating days for which NO_x data were not obtained, including reasons for not obtaining sufficient data and description of corrective actions taken.
 - g. Identification of times emission data are excluded from the calculated average emission rate and the reasons for excluding the data.
 - h. Identification of the "F" factor used for calculations, the method of determining the factor, and the type of fuel combusted.
 3. In addition, each monthly report shall include:
 - a. Daily maximum opacity.
 4. Submittal of monthly reports satisfies the quarterly reporting requirements of 40 CFR 60.49b, except that PTPC shall submit a quarterly report within 30 days after the end of each calendar quarter, including the following CEMS test data:

- a. Days for which data was not collected.
 - b. Reasons for which data was not collected.
 - c. Identification of times when the pollutant concentration exceeds span of the CEMS.
 - d. Description of any modifications to the CEMS that could affect the ability of the system to comply with performance specifications 2 or 3.
 - e. Results of any CEMS drift tests.
5. In addition, PTPC shall maintain monitoring records onsite for at least two years, and shall submit:
- a. Excess emission reports as appropriate.
 - b. Results of any source tests.

VIII. GENERAL RESTRICTIONS ON FACILITY OPERATIONS

- A. The particulate matter emission standards and opacity limits shall apply at all times. The NO_x emission standards apply at all times.
- B. Any activity that is undertaken by the company or others, in a manner that is inconsistent with the application and this determination, shall be subject to enforcement under the applicable regulations.
- C. If application is made for an increase in the annual fuel consumption limit in Approval Condition V.A., the application will be reviewed for compliance with current EPA and Ecology regulations and guidance on PSD modifications.
- D. As used throughout this permit, a 30-day rolling average consists of 30 consecutive operating days. An operating day means a 24-hour period between 6 am and the following 6 am during which time period any fuel is combusted at any time in the steam generating unit. It is not necessary for the fuel to be combusted continuously for the entire 24-hour period. If no fuel is combusted during a 24-hour period, that day is not an operating day for the purposes of the 30-day rolling average.

IX. RIGHT OF ENTRY

Section 114 of the federal Clean Air Act, 42 U.S.C. § 7414, and the Revised Code of Washington (RCW) 70.94.200, and WAC 173-400-105(3) provide authorized representatives of EPA and Ecology's Industrial Section certain rights to enter and

inspect the source. Refusal by PTPC to allow such entry and inspection may be a violation of the federal Clean Air Act and/or the RCW subject to penalty as provided in those statutes. Pursuant to these statutes, authorized representatives of EPA and Ecology's Industrial Section, upon the presentation of credentials:

- A. Have a right of entry to, upon, or through any premises of PTPC or any premises in which any records this permit requires PTPC to maintain are located.
- B. Have the right, at reasonable times, to access and copy any records this permit requires PTPC to maintain.
- C. Have the right, at reasonable times, to inspect any monitoring equipment or method required by this permit.
- D. Have the right, at reasonable times, to sample any emissions that PTPC is required to sample under this permit.

X. TRANSFER OF OWNERSHIP

- A. In the event of any changes in control or ownership of facilities to be constructed, this PSD permit will be binding on all subsequent owners and operators. The applicant must notify the succeeding owner and operator of the existence of this PSD permit and its conditions by letter, a copy of which must be forwarded to Ecology's Industrial Section.

XI. ADHERENCE TO APPLICATION AND COMPLIANCE WITH OTHER ENVIRONMENTAL LAWS

- A. Pursuant to 40 CFR 52.21(r)(1) and WAC 173-400-720(4), PTPC must construct and operate the proposed emissions units in accordance with this PSD permit and the application on which this permit is based.
- B. Pursuant to 40 CFR 52.21(r)(3) and WAC 173-400-720(4), this PSD permit shall not relieve PTPC of the responsibility to comply fully with applicable provisions of the State Implementation Plan and any other requirements under local, state, or federal law.
- C. Any applicant who fails to submit any relevant facts or who has submitted materially incorrect relevant information in a permit application must, upon becoming aware of such failure, or incorrect submittal, promptly submit such supplementary facts or corrected information.
- D. To the extent provided by 40 CFR 52.12(c), for the purpose of establishing whether or not PTPC has violated or is in violation of any requirement of this permit, nothing in this permit shall preclude the use, including the exclusive use,

of any credible evidence or information relevant to whether PTPC would have been in compliance with applicable requirements if the appropriate performance or reference test or procedure had been performed.

XII. APPEAL PROCEDURES

This PSD permit, or any conditions contained in it, may be appealed to:

- A. The Pollution Control Hearings Board (PCHB) as provided in Chapter 43.21B RCW and Chapter 371-08 WAC.

ACRONYMS AND ABBREVIATIONS

°C	degrees Celsius
°F	degrees Fahrenheit
BACT	Best Available Control Technology
CFR	Code of Federal Regulations
CEMS	Continuous Emission Monitoring System
CO	carbon monoxide
Ecology	Washington State Department of Ecology
EPA	United States Environmental Protection Agency
lb	pound(s)
lb/hr	pound(s) per hour
MMBtu/hr	million British thermal units per hour
MSDS	Material Safety Data Sheet
NESHAP	National Emission Standards for Hazardous Air Pollutants
NO _x	nitrogen oxides
O ₂	oxygen
PCHB	Pollution Control Hearings Board
PM	particulate matter
PM ₁₀	particulate matter less than 10 micrometers in diameter
PM _{2.5}	particulate matter less than 2.5 micrometers in diameter
ppm	parts per million
PSD	Prevention of Significant Deterioration of Air Quality
RCW	Revised Code of Washington
SER	Significant Emission Rate
tpy	tons per year
U.S.C.	United States Code
WAC	Washington Administrative Code